

Definition(s) of Provider of Last Resort (“POLR”) services/products for use in the USOWG

Revised draft –8/20/04– for settlement discussion only - subject to changes, revisions and corrections

While the term Provider of Last Resort (“POLR”) is used extensively in the electric utility industry, the USOWG reached consensus that the term is inappropriately applied to describe services and products for small commercial and residential customers (as defined in the Act). The USOWG reached this conclusion because the PUA obligates utilities to serve residential and small commercial customers (as defined in the Act), regardless of competitive declaration. In particular, the USOWG notes that it has agreed that utilities should maintain their obligation to provide bundled service for the aforementioned customer classes. In some other jurisdictions, bundled service may be the POLR rate for residential and small commercial customers, although the USOWG reaffirms its objections to labeling bundled service a POLR rate for those customers.

With respect to commercial and industrial customers whose services are not declared competitive or abandoned, the PUA requires utilities to offer bundled service. The USOWG agreed that the utilities should maintain their obligation to provide bundled service for those customer classes. The USOWG could not reach consensus as to whether a POLR product should be offered or whether the mandatory utility bundled rate serves as a POLR product.

With respect to commercial and industrial customers whose service has been declared competitive or abandoned, a POLR product is a service provided by a load serving entity to serve a customer that no other supplier will serve or can serve. Currently under Illinois law, no entity has this statutory obligation.